

MYR GROUP INC.
Form 8-K
July 07, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): June 30, 2016

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware **1-08325** **36-3158643**
(State or Other Jurisdiction (Commission (I.R.S. Employer
of Incorporation) File Number) Identification No.)

1701 Golf Road, Suite 3-1012

60008

Rolling Meadows, IL

(Address of Principal Executive Offices) (ZIP Code)

Registrant's telephone number, including area code: **(847) 290-1891**

None

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

The information described below under “Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant” is hereby incorporated by reference into this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On June 30, 2016, MYR Group Inc. (the “Company”) entered into a five-year amended and restated credit agreement (the “Credit Agreement”) with a facility of \$250 million (the “Facility”) with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. The Facility may be used for revolving loans and letters of credit. The Facility also allows for revolving loans and letters of credit in Canadian dollars and other currencies, up to the U.S. dollar equivalent of \$50 million. The Company has an expansion option to increase the commitments under the Facility or enter into incremental term loans, subject to certain conditions, by up to an additional \$100 million upon receipt of additional commitments from new or existing lenders. Borrowings under the Credit Agreement are expected to be used to refinance existing indebtedness and for working capital, capital expenditures, acquisitions and other general corporate purposes.

The Credit Agreement amends and restates the Company’s five-year syndicated credit agreement, dated December 21, 2011, as amended, which included a \$175 million revolving credit facility and a \$75 million expansion option.

Amounts borrowed under the Credit Agreement in U.S. dollars bear interest, at the Company’s option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.00% to 1.00%; or (2) Adjusted LIBO Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.00% to 2.00%. Amounts borrowed under the Credit Agreement in any currency other than U.S. dollars will bear interest at a rate equal to the Adjusted LIBO Rate plus an applicable margin ranging from 1.00% to 2.00%. The applicable margin is determined based on the Company’s consolidated Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.125% to 2.125% for standby or commercial letters of credit or 0.625% to 1.125% for performance letters of credit, based on the Company’s consolidated Leverage Ratio. The Company also will be subject to a commitment fee of 0.20% to 0.375% based on the Company’s consolidated Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the consolidated Leverage Ratio exceeds 2.25.

The Company and certain of its subsidiaries also entered into a Joinder, Amendment No. 1 and Reaffirmation of Pledge and Security Agreement and a Joinder, Amendment No. 1 and Reaffirmation of Guaranty in connection with the entry into the Credit Agreement. Subject to certain exceptions, the Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries and by a pledge of substantially all of the capital stock of the

Company's domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company's domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. The Credit Agreement provides for customary events of default. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the Facility may be accelerated and may become or be declared immediately due and payable.

Under the Credit Agreement, the Company is subject to certain financial covenants and must maintain a maximum consolidated Leverage Ratio of 3.0 and a minimum interest coverage ratio of 3.0, which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense. The Credit Agreement also contains a number of covenants including limitations on asset sales, investments, indebtedness and liens. In connection with any permitted acquisition where the total consideration exceeds \$50 million, the Company may request that the maximum permitted consolidated Leverage Ratio increase from 3.0 to 3.5. Any such increase, if given effect, shall begin in the quarter in which such permitted acquisition is consummated and shall continue in effect for four consecutive fiscal quarters.

JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which acted as Joint Lead Arrangers and as Joint Bookrunners for the Credit Agreement, and certain of the lenders and their respective affiliates have from time to time in the past provided financial services to the Company and its subsidiaries for which they have received customary fees.

Item 9.01 Financial Statements and Exhibits.

(d) The following exhibits are being filed with this Current Report on Form 8-K.

- 10.1 Amended and Restated Credit Agreement, dated June 30, 2016
- 10.2 Joinder, Amendment No. 1 and Reaffirmation of Pledge and Security Agreement, dated June 30, 2016
- 10.3 Joinder, Amendment No. 1 and Reaffirmation of Guaranty, dated June 30, 2016

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MYR GROUP INC.

Dated: July 7, 2016 By: */s/ BETTY R.*
JOHNSON

Name: Betty R.
Johnson
Senior
Vice
Title: President,
Chief
Financial
Officer
and
Treasurer

exhibit index

Exhibit No. Description

- | | |
|------|--|
| 10.1 | Amended and Restated Credit Agreement, dated June 30, 2016 |
| 10.2 | Joinder, Amendment No. 1 and Reaffirmation of Pledge and Security Agreement, dated June 30, 2016 |
| 10.3 | Joinder, Amendment No. 1 and Reaffirmation of Guaranty, dated June 30, 2016 |

- 5 -